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GOVERNOR BARBOUR'S SPECIAL SESSION CALL INCLUDES
JOB-CREATION, KATRINA RECOVERY, HOUSING, HEALTH CARE ISSUES

JACKSON, Mississippi – Governor Haley Barbour's official call for a special session of the Mississippi Legislature seeks state incentives for a huge economic development project in DeSoto County as well as eliminating barriers for construction of new housing and financial assistance for cash-strapped local governments on the Mississippi Coast.

In releasing the official call, or agenda, for the special session to begin at 9 a.m. Thursday, Governor Barbour said he will also ask lawmakers approve a project to expand Magee General Hospital. A bill that would have allowed the City of Magee to issue bonds to finance a \$25 million hospital expansion was among several local and private bills that failed in the final days of the 2006 regular session.

Governor Barbour said if the House and Senate leadership agree on other local and private issues he will likely add those issues to the call.

"Working with the leadership of the House and Senate, I believe we have developed a plan to deal with issues that require immediate action," Governor Barbour said. "I am hopeful this special session will be short and productive."

Here is a summary of other issues in the call:

1. Riverbend Crossing: Certain elements of the proposed Riverbend Crossing project in DeSoto County, which includes a Metro-Goldwyn-Mayer Company (MGM) entertainment district, require legislative action before they can go forward. Riverbend is a 4,500-acre multi-phase master planned community that will consist of a blend of commercial, recreational, resort, tourism and residential development.

Developers have stated their intention to invest \$2.7 billion over 15 years. In the first phase, in return for state support, developers have committed a minimum capital investment of \$475 million and creation of a minimum of 3,500 new, full-time jobs.

The Legislature is being asked to approve \$23 million for public infrastructure – roads, water and sewer – to serve the project and a tourism sales tax rebate that is limited to 30 percent of capital expenditures for each eligible project investment for 10 years. This sales tax rebate will equal 80 percent of the sales tax collected from each eligible project under a total rebate ceiling of \$150 million for the Riverbend project.

2. Removing barriers to housing on the Coast: The number one priority and challenge in Mississippi caused by Katrina is housing. More than 240,000 units of housing were damaged by Katrina statewide, representing 23 percent of the state's occupied housing units. Nearly 80,000 units of housing suffered major or severe damage, or were destroyed, approximately 53,000 of which were in the three coastal counties.

Due to labor supply constraints, the State must encourage alternatives to conventional, site-built, "stick-built" homes. One such alternative is modular housing.

"Modular homes" are often confused with "manufactured housing" (also referred to as mobile homes) since they are both "manufactured" in a plant. However, there are substantial differences between the two. Mobile homes are built to the HUD code, which is a national code governing the manufactured housing industry. Modular housing is typically built to comply with the local building codes governing conventional construction, e.g. the International Residential Code. Therefore, the construction of modular housing is virtually the same as a conventionally built home and qualifies for conventional mortgage financing.

Modular housing under Mississippi law is taxed at 7 percent while manufactured housing is taxed at 3 percent. Governor Barbour is asking the Legislature to reduce the tax on modular housing to the same level as manufactured housing in order to encourage more production of housing units to better serve the housing needs of residents victimized by Katrina.

3. Financial help to Coast cities and counties: The special session call asks the Legislature to approve a mechanism for awarding direct grants of up to \$3 million to coastal city and county governments that have lost more than 25 percent of their revenues due to Hurricane Katrina. No general fund appropriation is required under this plan.

The complete text and other details in Governor Barbour's call for this special session may be found at www.governorbarbour.com.

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